

Assembly Bill No. 2749

CHAPTER 501

An act to amend Section 1798.24 of the Civil Code, to amend Sections 216.3, 1757, and 1935 of, to add Sections 126.7, 131, 139.95, 142.5, 148.5, and 149.3 to, to add Article 6 (commencing with Section 280) to Chapter 2 of Division 1 of, to repeal Sections 1909, 1930, 1931, 1934, 1936, 1937, 1938, 1939, and 1945 of, and to repeal and add Section 4825 of, the Financial Code, and to amend Sections 6254.5 and 6276.06 of the Government Code, relating to financial institutions.

[Approved by Governor September 28, 2008. Filed with
Secretary of State September 28, 2008.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2749, Gaines. Financial institutions: disclosure and reporting requirements.

Existing law, the Banking Law, provides for the licensure and regulation by the Department of Financial Institutions of various financial institutions, including banks, commercial banks, and trust companies. The Banking Law sets forth specified disclosure and reporting requirements imposed upon those entities. Any person intentionally making a false statement in any report required under the Banking Law is guilty of perjury, a crime.

This bill would revise and recast those disclosure and reporting requirements, as specified, and would provide that those requirements apply to all licensees regulated by the Department of Financial Institutions. For those purposes, "licensee" would be defined to include, among others, banks, industrial banks, trust companies, foreign (other nation) banks, any corporation licensed by the commissioner to transmit money or issue traveler's checks, savings associations, credit unions, foreign (other state) credit unions, and industrial loan companies. The bill would subject a licensee to the above-described perjury provisions, thereby expanding a crime and imposing a state-mandated local program.

Under specified circumstances, this bill would also allow a foreign (other state) or foreign (other nation) financial institutions regulatory agency to examine a licensee and any of its offices. The bill would further set forth procedures related to the furnishing of confidential information, as defined, by the Commissioner of Financial Institutions.

This bill would also set forth definitions relative to the rating of financial institutions pursuant to specified federally established criteria.

Existing law, the Depository Corporation Sale, Merger, and Conversion Law, prohibits the merger or conversion of a California state bank or a California state depository corporation into a depository corporation that is a mutual organization or the merger or conversion of such a depository

corporation into a California state bank or California state depository corporation.

This bill would repeal that prohibition and would instead authorize a California state depository corporation to merge with a corporation or other business entity that is not a depository corporation if the California state depository corporation is the surviving corporation of that merger.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 1798.24 of the Civil Code is amended to read:

1798.24. No agency may disclose any personal information in a manner that would link the information disclosed to the individual to whom it pertains unless the information is disclosed, as follows:

- (a) To the individual to whom the information pertains.
- (b) With the prior written voluntary consent of the individual to whom the record pertains, but only if that consent has been obtained not more than 30 days before the disclosure, or in the time limit agreed to by the individual in the written consent.
- (c) To the duly appointed guardian or conservator of the individual or a person representing the individual if it can be proven with reasonable certainty through the possession of agency forms, documents or correspondence that this person is the authorized representative of the individual to whom the information pertains.
- (d) To those officers, employees, attorneys, agents, or volunteers of the agency that has custody of the information if the disclosure is relevant and necessary in the ordinary course of the performance of their official duties and is related to the purpose for which the information was acquired.
- (e) To a person, or to another agency where the transfer is necessary for the transferee agency to perform its constitutional or statutory duties, and the use is compatible with a purpose for which the information was collected and the use or transfer is accounted for in accordance with Section 1798.25. With respect to information transferred from a law enforcement or regulatory agency, or information transferred to another law enforcement or regulatory agency, a use is compatible if the use of the information requested is needed in an investigation of unlawful activity under the jurisdiction of the requesting agency or for licensing, certification, or regulatory purposes by that agency.
- (f) To a governmental entity when required by state or federal law.
- (g) Pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(h) To a person who has provided the agency with advance, adequate written assurance that the information will be used solely for statistical research or reporting purposes, but only if the information to be disclosed is in a form that will not identify any individual.

(i) Pursuant to a determination by the agency that maintains information that compelling circumstances exist that affect the health or safety of an individual, if upon the disclosure notification is transmitted to the individual to whom the information pertains at his or her last known address. Disclosure shall not be made if it is in conflict with other state or federal laws.

(j) To the State Archives as a record that has sufficient historical or other value to warrant its continued preservation by the California state government, or for evaluation by the Director of General Services or his or her designee to determine whether the record has further administrative, legal, or fiscal value.

(k) To any person pursuant to a subpoena, court order, or other compulsory legal process if, before the disclosure, the agency reasonably attempts to notify the individual to whom the record pertains, and if the notification is not prohibited by law.

(l) To any person pursuant to a search warrant.

(m) Pursuant to Article 3 (commencing with Section 1800) of Chapter 1 of Division 2 of the Vehicle Code.

(n) For the sole purpose of verifying and paying government health care service claims made pursuant to Division 9 (commencing with Section 10000) of the Welfare and Institutions Code.

(o) To a law enforcement or regulatory agency when required for an investigation of unlawful activity or for licensing, certification, or regulatory purposes, unless the disclosure is otherwise prohibited by law.

(p) To another person or governmental organization to the extent necessary to obtain information from the person or governmental organization as necessary for an investigation by the agency of a failure to comply with a specific state law that the agency is responsible for enforcing.

(q) To an adopted person and is limited to general background information pertaining to the adopted person's natural parents, provided that the information does not include or reveal the identity of the natural parents.

(r) To a child or a grandchild of an adopted person and disclosure is limited to medically necessary information pertaining to the adopted person's natural parents. However, the information, or the process for obtaining the information, shall not include or reveal the identity of the natural parents. The State Department of Social Services shall adopt regulations governing the release of information pursuant to this subdivision by July 1, 1985. The regulations shall require licensed adoption agencies to provide the same services provided by the department as established by this subdivision.

(s) To a committee of the Legislature or to a Member of the Legislature, or his or her staff when authorized in writing by the member, where the member has permission to obtain the information from the individual to whom it pertains or where the member provides reasonable assurance that he or she is acting on behalf of the individual.

(t) (1) To the University of California or a nonprofit educational institution conducting scientific research, provided the request for information is approved by the Committee for the Protection of Human Subjects (CPHS) for the California Health and Human Services Agency (CHHSA). The CPHS approval required under this subdivision shall include a review and determination that all the following criteria have been satisfied:

(A) The researcher has provided a plan sufficient to protect personal information from improper use and disclosures, including sufficient administrative, physical, and technical safeguards to protect personal information from reasonable anticipated threats to the security or confidentiality of the information.

(B) The researcher has provided a sufficient plan to destroy or return all personal information as soon as it is no longer needed for the research project, unless the researcher has demonstrated an ongoing need for the personal information for the research project and has provided a long-term plan sufficient to protect the confidentiality of that information.

(C) The researcher has provided sufficient written assurances that the personal information will not be reused or disclosed to any other person or entity, or used in any manner, not approved in the research protocol, except as required by law or for authorized oversight of the research project.

(2) The CPHS shall, at a minimum, accomplish all of the following as part of its review and approval of the research project for the purpose of protecting personal information held in agency databases:

(A) Determine whether the requested personal information is needed to conduct the research.

(B) Permit access to personal information only if it is needed for the research project.

(C) Permit access only to the minimum necessary personal information needed for the research project.

(D) Require the assignment of unique subject codes that are not derived from personal information in lieu of social security numbers if the research can still be conducted without social security numbers.

(E) If feasible, and if cost, time, and technical expertise permit, require the agency to conduct a portion of the data processing for the researcher to minimize the release of personal information.

(3) Reasonable costs to the agency associated with the agency's process of protecting personal information under the conditions of CPHS approval may be billed to the researcher, including, but not limited to, the agency's costs for conducting a portion of the data processing for the researcher, removing personal information, encrypting or otherwise securing personal information, or assigning subject codes.

(4) The CPHS may enter into written agreements to enable other institutional review boards to provide the data security approvals required by this subdivision, provided the data security requirements set forth in this subdivision are satisfied.

(u) To an insurer if authorized by Chapter 5 (commencing with Section 10900) of Division 4 of the Vehicle Code.

(v) Pursuant to Section 280, 282, 8009, or 18396 of the Financial Code.

This article shall not be construed to require the disclosure of personal information to the individual to whom the information pertains when that information may otherwise be withheld as set forth in Section 1798.40.

SEC. 2. Section 126.7 is added to the Financial Code, to read:

126.7. “CAMELS composite rating” shall have the meaning set forth in Section 327.8(j) of Title 12 of the Code of Federal Regulations.

SEC. 3. Section 131 is added to the Financial Code, to read:

131. (a) “Confidential information” means any information regarding a licensee contained in, or related to, any of the following:

(1) Applications filed with the commissioner.

(2) Examination, operating, condition, or any other reports prepared by, on behalf of, or for the use of, the commissioner.

(3) Information received in confidence by the commissioner.

(b) Confidential information is the property of the commissioner.

SEC. 4. Section 139.95 is added to the Financial Code, to read:

139.95. “Licensee” has the following meanings:

(a) Any bank authorized by the commissioner pursuant to Section 401 to transact banking or trust business.

(b) Any industrial bank authorized by the commissioner pursuant to Section 401 to transact industrial banking business.

(c) Any trust company authorized by the commissioner pursuant to Section 401 to transact trust business.

(d) Any foreign (other nation) bank that is licensed under Article 2 (commencing with Section 1725) of Chapter 13.5 or under Article 3 (commencing with Section 1750) of Chapter 13.5.

(e) Any corporation licensed by the commissioner to transmit money pursuant to Section 1802.7.

(f) Any person licensed by the commissioner to issue traveler’s checks pursuant to Section 1860.

(g) Any person authorized by the commissioner to conduct the business of a savings association pursuant to Division 2 (commencing with Section 5000).

(h) Any credit union authorized by the commissioner to conduct business pursuant to Section 14154.

(i) Any foreign (other state) credit union licensed by the commissioner to conduct business pursuant to Chapter 11 (commencing with Section 16000) of Division 5.

(j) Any foreign (other nation) credit union licensed by the commissioner to conduct business pursuant to Chapter 12 (commencing with Section 16500) of Division 5.

(k) Any industrial loan company authorized by the commissioner to conduct insurance premium finance business pursuant to Division 7 (commencing with Section 18000).

(l) Any corporation licensed by the commissioner as a business and industrial development corporation pursuant to Section 31154.

(m) Any corporation licensed by the commissioner pursuant to Section 33406 to engage in the business of selling payment instruments.

SEC. 5. Section 142.5 is added to the Financial Code, to read:

142.5. “ROCA supervisory rating” shall have the meaning set forth in Section 327.8(k) of Title 12 of the Code of Federal Regulations.

SEC. 6. Section 148.5 is added to the Financial Code, to read:

148.5. “Uniform Interagency Trust Rating System (UITRS)” shall have the meaning set forth in the policy statement regarding the uniform interagency trust rating system published by the Federal Financial Institutions Examination Council on October 13, 1998 (63 Fed. Reg. 54704).

SEC. 7. Section 149.3 is added to the Financial Code, to read:

149.3. “Uniform Rating System for Informational Technology (URSIT)” shall have the meaning set forth in the policy statement regarding the uniform rating system for information technology published by the Federal Financial Institutions Examination Council on January 20, 1999, and implemented on or before April 1, 1999 (64 Fed. Reg. 3109).

SEC. 8. Section 216.3 of the Financial Code is amended to read:

216.3. (a) For purposes of this section, the following definitions apply:

(1) “Applicable law” means:

(A) With respect to any bank, Division 1.5 (commencing with Section 4800), and any of the following provisions of Division 1 (commencing with Section 99) of the Financial Code:

(i) Article 5 (commencing with Section 270) of Chapter 2.

(ii) Article 3 (commencing with Section 640) of Chapter 5.

(iii) Article 4.5 (commencing with Section 670) of Chapter 5.

(iv) Article 6 (commencing with Section 690) of Chapter 5.

(v) Chapter 6 (commencing with Section 750).

(vi) Chapter 10 (commencing with Section 1200).

(vii) Article 1 (commencing with Section 1400) of Chapter 11.

(viii) Chapter 12 (commencing with Section 1500).

(ix) Chapter 13.5 (commencing with Section 1700).

(x) Section 286.

(xi) Section 287.

(xii) Section 289.

(xiii) Section 290.

(xiv) Section 1951.

(xv) Section 3359.

(xvi) Chapter 19 (commencing with Section 3500).

(xvii) Chapter 21.5 (commencing with Section 3750).

(xviii) Chapter 22 (commencing with Section 3800).

(B) With respect to any savings association, any provision of Division 1.5 (commencing with Section 4800) and Division 2 (commencing with Section 5000).

(C) With respect to any issuer of traveler’s checks, any provision of Chapter 14A (commencing with Section 1851) of Division 1.

(D) With respect to any insurance premium finance company, any provision of Division 7 (commencing with Section 18000).

(E) With respect to any business and development corporation, any provision of Division 15 (commencing with Section 31000).

(F) With respect to any credit union, any of the following provisions:

(i) Section 14252.

(ii) Section 14253.

(iii) Section 14255.

(iv) Article 4 (commencing with Section 14350) of Chapter 3 of Division 5.

(v) Section 14401.

(vi) Section 14404.

(vii) Section 14408, only as that section applies to gifts to directors, volunteers, and employees, and the related family or business interests of the directors, volunteers, and employees.

(viii) Section 14409.

(ix) Section 14410.

(x) Article 5 (commencing with Section 14600) of Chapter 4 of Division 5.

(xi) Article 6 (commencing with Section 14650) of Chapter 4 of Division 5, excluding subdivision (a) of Section 14651.

(xii) Section 14803.

(xiii) Section 14851.

(xiv) Section 14858.

(xv) Section 14860.

(xvi) Section 14861.

(xvii) Section 14863.

(G) With respect to any person licensed to transmit money abroad, any provision of Chapter 14 (commencing with Section 1800).

(H) With respect to any person licensed to sell payment instruments, any provision of Division 16 (commencing with Section 33000).

(2) “Licensee” means any bank, savings association, credit union, transmitter of money abroad, issuer of payment instruments, issuer of traveler’s checks, insurance premium finance agency, or business and industrial development corporation that is authorized by the commissioner to conduct business in this state.

(b) Notwithstanding any other provision of this code that applies to a licensee or a subsidiary of a licensee, after notice and an opportunity to be heard, the commissioner may, by order that shall include findings of fact which incorporates a determination made in accordance with subdivision (e), levy civil penalties against any licensee or any subsidiary of a licensee who has violated any provision of applicable law, any order issued by the commissioner, any written agreement between the commissioner and the licensee or subsidiary of the licensee, or any condition of any approval issued by the commissioner. Notwithstanding any other provision of law, neither the commissioner nor any employee of the department shall disclose or permit the disclosure of any record, record of any action, or information contained in a record of any action, taken by the commissioner under the provisions of this section, unless the action was taken pursuant to paragraph

(2) of subdivision (b), to persons other than federal or state government employees who are authorized by statute to obtain the records in the performance of their official duties, unless the disclosure is authorized or requested by the affected licensee or the affected subsidiary of the licensee. The commissioner shall have the sole authority to bring any action with respect to a violation of applicable law subject to a penalty imposed under this section.

Except as provided in paragraphs (1) and (2), any penalty imposed by the commissioner may not exceed one thousand dollars (\$1,000) a day, provided that the aggregate penalty of all offenses in any one action against any licensee or subsidiary of a licensee shall not exceed fifty thousand dollars (\$50,000).

(1) If the commissioner determines that any licensee or subsidiary of the licensee has recklessly violated any applicable law, any order issued by the commissioner, any provision of any written agreement between the commissioner and the licensee or subsidiary, or any condition of any approval issued by the commissioner, the commissioner may impose a penalty not to exceed five thousand dollars (\$5,000) per day, provided that the aggregate penalty of all offenses in an action against any licensee or subsidiary of a licensee shall not exceed seventy-five thousand dollars (\$75,000).

(2) If the commissioner determines that any licensee or subsidiary of the licensee has knowingly violated any applicable law, any order issued by the commissioner, any provision of any written agreement between the commissioner and the licensee or subsidiary, or any condition of any approval issued by the commissioner, the commissioner may impose a penalty not to exceed ten thousand dollars (\$10,000) per day, provided that the aggregate penalty of all offenses in an action against any licensee or subsidiary of a licensee shall not exceed 1 percent of the total assets of the licensee or subsidiary of a licensee subject to the penalty.

(c) Nothing in this section shall be construed to impair or impede the commissioner from pursuing any other administrative action allowed by law.

(d) Nothing in this section shall be construed to impair or impede the commissioner from bringing an action in court to enforce any law or order he or she has issued, including orders issued under this section. Nothing in this section shall be construed to impair or impede the commissioner from seeking any other damages or injunction allowed by law.

(e) In determining the amount and the appropriateness of initiating a civil money penalty under subdivision (b), the commissioner shall consider all of the following:

(1) Evidence that the violation or practice or breach of duty was intentional or was committed with a disregard of the law or with a disregard of the consequences to the institution.

(2) The duration and frequency of the violations, practices, or breaches of duties.

(3) The continuation of the violations, practices, or breaches of duty after the licensee or subsidiary of the licensee was notified, or, alternatively, its immediate cessation and correction.

(4) The failure to cooperate with the commissioner in effecting early resolution of the problem.

(5) Evidence of concealment of the violation, practice, or breach of duty or, alternatively, voluntary disclosure of the violation, practice, or breach of duty.

(6) Any threat of loss, actual loss, or other harm to the institution, including harm to the public confidence in the institution, and the degree of that harm.

(7) Evidence that a licensee or subsidiary of a licensee received financial gain or other benefit as a result of the violation, practice, or breach of duty.

(8) Evidence of any restitution paid by a licensee or subsidiary of a licensee of losses resulting from the violation, practice, or breach of duty.

(9) History of prior violations, practices, or breaches of duty, particularly where they are similar to the actions under consideration.

(10) Previous criticism of the institution for similar actions.

(11) Presence or absence of a compliance program and its effectiveness.

(12) Tendency to engage in violations of law, unsafe or unsound banking practices, or breaches of duties.

(13) The existence of agreements, commitments, orders, or conditions imposed in writing intended to prevent the violation, practice, or breach of duty.

(14) Whether the violation, practice, or breach of duty causes quantifiable, economic benefit or loss to the licensee or the subsidiary of the licensee. In those cases, removal of the benefit or recompense of the loss usually will be insufficient, by itself, to promote compliance with the applicable law, order, or written agreement. The penalty amount should reflect a remedial purpose and should provide a deterrent to future misconduct.

(15) Other factors as the commissioner may, in his or her opinion, consider relevant to assessing the penalty or establishing the amount of the penalty.

(f) The amounts collected under this section shall be deposited in the appropriate fund of the department. For purposes of this subdivision, the term “appropriate fund” means the fund to which the annual assessments of fined licensees, or the parent licensee of the fined subsidiary, are credited.

SEC. 9. Article 6 (commencing with Section 280) is added to Chapter 2 of Division 1 of the Financial Code, to read:

Article 6. General Operational Provisions

280. (a) In this section, “governmental agency” includes, without limitation, any agency of this state, of any other state of the United States, of the United States, or of any foreign nation.

(b) The commissioner may furnish information to a governmental agency that regulates financial institutions.

(c) The commissioner may furnish to a governmental agency that administers a loan guarantee or similar program, information relating to a person who participates in the program.

(d) The commissioner may furnish to a governmental agency that regulates business activities, other than the type described in subdivision (b), information relating to any of the following:

(1) A suspected violation of a law administered by the agency.

(2) A person involved in an application to the agency for a license, approval, or other authorization.

(e) The commissioner may furnish to a governmental agency that is a law enforcement agency information relating to a suspected crime.

(f) The commissioner may furnish information to any person who provides share insurance or guaranty of the shares of a credit union in accordance with Section 14858, 16004, or 16503.

(g) The commissioner may furnish confidential information regarding a licensee to the directors, officers, employees, attorneys, accountants, and consultants of that licensee in accordance with Section 282.

(h) This section does not prescribe the only circumstances under which the commissioner may furnish information.

281. With the prior approval of the commissioner, a foreign (other state) or foreign (other nation) financial institutions regulatory agency may examine a licensee and any of its offices, provided that the agency has a regulatory interest in the licensee. Any regulatory agency approved by the commissioner under this section shall be considered a supervisory agency under subdivision (f) of Section 7480 of the Government Code.

282. (a) Directors, officers, employees, attorneys, accountants, or consultants of a licensee may not disclose in any manner to any person confidential information regarding the licensee received from the commissioner. The prohibition in this section shall not apply to disclosures of confidential information by directors, officers, employees, attorneys, accountants, or consultants of the licensee:

(1) Made pursuant to a subpoena or other discovery proceeding.

(2) Made to any state or federal prosecuting or investigatory agency or authority.

(3) Made to any state, federal, or foreign (other nation) financial institutions regulatory agency that has a direct regulatory interest in the licensee.

(4) Made to any state or federal taxing agency.

(5) Made as otherwise required by law.

(6) Made as otherwise authorized by the commissioner in writing.

(b) Any director, officer, employee, attorney, accountant, or consultant that discloses confidential information in a manner other than allowed by this section shall be liable for a civil penalty not to exceed fifty thousand dollars (\$50,000). The commissioner may impose a penalty under this section in accordance with the procedures set forth in Section 216.3.

(c) The prohibition set forth in subdivision (a) shall not apply to any discussion, analysis, or other use of confidential information provided by the commissioner that occurs between directors, officers, employees, attorneys, accountants, or consultants of the licensee.

283. Every licensee shall make and file with the commissioner whenever required by him or her a report in any form as the commissioner may prescribe and verified in any manner the commissioner prescribes, showing its financial condition and any other information as the commissioner may require at the close of business on any day designated by him or her. Any verification shall state that each of the officers making the verification has a personal knowledge of the matters in the report and that each of them believes that each statement in the report is true.

284. The commissioner shall call for the report specified in Section 283 from all licensees at least four times each year upon dates selected by the commissioner.

285. The commissioner may at any time require any licensee to make and file with him or her a special report furnishing any information as the commissioner may specify when necessary to inform him or her fully of the actual financial condition and all other affairs of the licensee. The reports shall be in the form and filed on a date prescribed by the commissioner and shall, if required by the commissioner, be verified in any manner that he or she prescribes.

286. Every licensee shall keep its corporate records, financial records, and books of account in words and figures of the English language and in form satisfactory to the commissioner.

287. Every licensee shall notify the commissioner of any change in the following officers of the licensee, to the extent that those officers exist within the licensee: chairperson, chief executive officer, president, general manager, managing officer, chief financial officer, and chief credit officer.

288. (a) Each report required under this article, or under any other provision of law administered by the commissioner, shall be filed with the commissioner at the time that the commissioner may require. If any licensee fails to make any required report at the time specified by the commissioner or fails to include therein any matter required by this article, any provision of law administered by the commissioner, or by the commissioner, it shall be liable to the people of this state in the sum of not more than one hundred dollars (\$100) for each day that the report is delayed or withheld by the failure or neglect of the licensee.

(b) The provisions of Section 216.3 shall not apply to this section.

289. (a) Every licensee shall file with the commissioner one copy of all material filed by the licensee with any applicable federal financial institutions regulatory agency, law enforcement agency, or other federal agency that is required to be filed by law or order of the agency.

(b) Each copy required to be filed pursuant to subdivision (a) shall be filed with the commissioner on or before the date upon which the original is filed with the federal regulatory agency and shall be available for inspection by the public except to the extent the information contained

therein is accorded confidential treatment under federal law or regulations. That material shall be open for inspection by the Attorney General.

290. Any person intentionally making a false statement in any report required to be rendered under this article or other provision of law administered by the commissioner is guilty of perjury.

SEC. 10. Section 1757 of the Financial Code is amended to read:

1757. (a) Whenever the commissioner calls for a report under Section 283 from commercial banks organized under the laws of this state, the commissioner shall call for a report from each foreign (other nation) bank that is licensed to transact business in this state.

(b) (1) A foreign (other nation) bank that is licensed to transact business in this state shall prominently display in the lobby of each agency and branch office, except an automated teller machine branch office (as defined in Section 550), a notice that any person may obtain a financial report from the bank. The notice shall include the address and telephone number of the person or office to be contacted for a financial report. The bank shall, promptly after receiving a request for a financial report, mail or otherwise furnish the financial report to the requester. The first financial report shall be provided without charge.

(2) The financial report called for in this subdivision shall contain either (A) the information that the commissioner may require by regulation or (B) in the absence of a regulation, the last balance sheet and income statement, each without any schedules, that the bank filed with the commissioner pursuant to Section 283.

SEC. 11. Section 1909 of the Financial Code is repealed.

SEC. 12. Section 1930 of the Financial Code is repealed.

SEC. 13. Section 1931 of the Financial Code is repealed.

SEC. 14. Section 1934 of the Financial Code is repealed.

SEC. 15. Section 1935 of the Financial Code is amended to read:

1935. (a) A California state bank shall prominently display in the lobby of its main office and each branch office, except an automated teller machine branch office, as defined in Section 550, a notice that any person may obtain a financial report from the bank. The notice shall include the address and telephone number of the person or office to be contacted for a financial report. The bank shall, promptly after receiving a request for a financial report, mail or otherwise furnish the financial report to the requester. The first financial report shall be provided without charge.

(b) The financial report called for in this section shall contain either (1) the information that the commissioner may require by regulation or (2) in the absence of a regulation, the last balance sheet and income statement, each without any schedules, that the bank filed with the commissioner pursuant to Section 283.

SEC. 16. Section 1936 of the Financial Code is repealed.

SEC. 17. Section 1937 of the Financial Code is repealed.

SEC. 18. Section 1938 of the Financial Code is repealed.

SEC. 19. Section 1939 of the Financial Code is repealed.

SEC. 20. Section 1945 of the Financial Code is repealed.

SEC. 21. Section 4825 of the Financial Code is repealed.

SEC. 22. Section 4825 is added to the Financial Code, to read:

4825. A California state depository corporation may merge with a corporation or other business entity that is not a depository corporation if the California state depository corporation is the surviving corporation of that merger. The merger of a corporation or other business entity with and into a California state depository corporation shall be effected in accordance with Division 1 (commencing with Section 100) of the Corporations Code.

SEC. 23. Section 6254.5 of the Government Code is amended to read:

6254.5. Notwithstanding any other provisions of the law, whenever a state or local agency discloses a public record which is otherwise exempt from this chapter, to any member of the public, this disclosure shall constitute a waiver of the exemptions specified in Sections 6254, 6254.7, or other similar provisions of law. For purposes of this section, “agency” includes a member, agent, officer, or employee of the agency acting within the scope of his or her membership, agency, office, or employment.

This section, however, shall not apply to disclosures:

(a) Made pursuant to the Information Practices Act (commencing with Section 1798 of the Civil Code) or discovery proceedings.

(b) Made through other legal proceedings or as otherwise required by law.

(c) Within the scope of disclosure of a statute which limits disclosure of specified writings to certain purposes.

(d) Not required by law, and prohibited by formal action of an elected legislative body of the local agency which retains the writings.

(e) Made to any governmental agency which agrees to treat the disclosed material as confidential. Only persons authorized in writing by the person in charge of the agency shall be permitted to obtain the information. Any information obtained by the agency shall only be used for purposes which are consistent with existing law.

(f) Of records relating to a financial institution or an affiliate thereof, if the disclosures are made to the financial institution or affiliate by a state agency responsible for the regulation or supervision of the financial institution or affiliate.

(g) Of records relating to any person that is subject to the jurisdiction of the Department of Corporations, if the disclosures are made to the person that is the subject of the records for the purpose of corrective action by that person, or if a corporation, to an officer, director, or other key personnel of the corporation for the purpose of corrective action, or to any other person to the extent necessary to obtain information from that person for the purpose of an investigation by the Department of Corporations.

(h) Made by the Commissioner of Financial Institutions under Section 280, 282, 8009, or 18396 of the Financial Code.

(i) Of records relating to any person that is subject to the jurisdiction of the Department of Managed Health Care, if the disclosures are made to the person that is the subject of the records for the purpose of corrective action by that person, or if a corporation, to an officer, director, or other key

personnel of the corporation for the purpose of corrective action, or to any other person to the extent necessary to obtain information from that person for the purpose of an investigation by the Department of Managed Health Care.

SEC. 24. Section 6276.06 of the Government Code is amended to read:

6276.06. Bank and Corporation Tax, disclosure of information, Article 2 (commencing with Section 19542), Chapter 7, Part 10.2, Division 2, Revenue and Taxation Code.

Bank employees, confidentiality of criminal history information, Sections 777.5 and 4990, Financial Code.

Bank reports, confidentiality of, Section 289, Financial Code.

Basic Property Insurance Inspection and Placement Plan, confidential reports, Section 10097, Insurance Code.

Beef Council of California, confidentiality of fee transactions information, Section 64691.1, Food and Agricultural Code.

Bids, confidentiality of, Section 10304, Public Contract Code.

Birth, death, and marriage licenses, confidential information contained in, Sections 102100 and 102110, Health and Safety Code.

Birth defects, monitoring, confidentiality of information collected, Section 103850, Health and Safety Code.

Birth, live, confidential portion of certificate, Sections 102430, 102475, 103525, and 103590, Health and Safety Code.

Blood tests, confidentiality of hepatitis and AIDS carriers, Section 1603.1, Health and Safety Code.

Blood-alcohol percentage test results, vehicular offenses, confidentiality of, Section 1804, Vehicle Code.

Bureau of Fraudulent Claims, investigations or publication of information, Section 12991, Insurance Code.

Business and professions licensee exemption for social security number, Section 30, Business and Professions Code.

SEC. 25. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.